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September 30, 2010

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: Notice of ex parte presentation
WT Docket No. 10-112

Dear Madam Secretary:

On September 29, 2010, George Uram, Vice President and Todd Ellis, Senior Product Manager, Sensus USA, Inc., and I met with Roger Noel, Division Chief, Kathy Harris, Assistant Division Chief and Richard Arsenault, Chief Counsel of the Mobility Division of the Wireless Telecommunications Bureau. We discussed the items on the attached sheets which were distributed in the meeting.

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, a copy of this letter is being filed electronically in the above-captioned docket and electronic copies are being submitted to the Commission staff listed below. If you have any questions regarding this matter, please contact the undersigned at (202) 223-1177.

Very truly yours,



Julian P. Gehman

cc: Roger Noel
Kathy Harris
Richard Arsenault

Sensus Quick Facts

■ Company background

- 100+ years of providing products and services to critical infrastructure utilities
- \$866 million revenue in last fiscal year
 - 70% of revenues from North America
- 4000 employees and operations on 5 continents
 - Headquartered in Raleigh, NC
- Privately held with publically traded debt; SEC filer
- Installed base of over 40 million water, gas and electric meters in the US
- Installed base of 6 million “walk by/drive by” legacy AMR endpoints
 - 3500+ customers, mostly water distribution utilities

■ Sensus and the Smart Grid

- Leading player in the Smart Grid market for electric, water and gas applications
- 23% share of electric Smart Grid market
- Large customers include: Southern Company, Philadelphia Electric, Alliant Energy, Portland General Electric, Hawaii Electric, NV Energy, Atmos Energy
- Sensus Smart Grid system is branded FlexNet™
 - Two way radio communication system
 - Operates on NPCS and MAS
 - First sold commercially in 2006
- Significant footprint in US
 - 5.5 million endpoints connected out of 13 million under contract
- Endpoint installations are 85% electric, 10% water, 5 % gas
- 900+ base stations installed out of 1300+ under contract
- 240+ FlexNet™ customers in 40 states
 - Customer base ~ 60% water utilities, 25% electric, balance combination or gas distribution
- Significant footprint in Canada
 - 1 million endpoints, 100 base stations in Ontario

■ Business Model

- Spectrum is part of product offer ... base stations, endpoints, head end & spectrum
- Spectrum is essentially held in inventory as part of an overall system sale
- Different than common carrier or single user model

Sensus Concerns WT Docket No. 10-112

- **Sensus is FCC Licensee**
 - Holds NPCS and MAS licenses
 - Planning and executing buildouts for construction deadlines and license renewals coming due now and over next several years
- **NPRM creates uncertainty for construction**
 - NPRM does not directly address construction (performance)
 - NPRM still affects construction by creating uncertainty over what standard applies at renewal
 - Should Sensus construct to satisfy substantial service or another standard?
 - No licensee wants to construct to one standard then be told a different standard applies at renewal
- **Construction standard and renewal standard should be the one and the same**
- **Construction/renewal standard should be clearly stated in the rules**
- **Need a renewal expectancy**
 - Concept of renewal expectancy should apply irrespective of whether there is a comparative hearing or close scrutiny by Bureau
 - If licensee follows published rules or satisfies published standard, then licensee should be assured of renewal
- **Renewal expectancy is needed to provide proper incentive for investment in spectrum, radio infrastructure**
 - Investors need assurance of return of capital and return on investment
 - Investors need assurance of continuity of operation where licensee follows the rules
 - Current FCC rules and renewal practice give this assurance
 - NPRM removes assurance of renewal expectancy and proposes a “we know it when we see it” standard
- **Retroactive Rule Making**
 - FCC needs to carefully consider the legal arguments raised in comments
 - Not fair to licensees to change the rules in the middle of the game
 - Abrupt changes in licensing regime contributes to uncertainty which dis-incentivizes investment